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May 15, 2024

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

Company name: internet infinity INC.
 Listing: Tokyo Stock Exchange
 Securities code: 6545
 URL: <https://iif.jp>
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 Scheduled date of annual general meeting of shareholders: June 25, 2024
 Scheduled date to commence dividend payments: June 26, 2024
 Scheduled date to file annual securities report: June 26, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	4,959	11.1	230	139.7	271	85.2	130	286.0
March 31, 2023	4,464	7.1	96	(38.4)	146	(49.5)	33	(81.8)

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥ 130 million [286.2%]
 For the fiscal year ended March 31, 2023: ¥ 33 million [(81.8)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2024	24.59	23.99	9.8	7.8	4.6
March 31, 2023	6.27	6.13	2.7	4.9	2.2

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2024 : ¥ — million
 For the fiscal year ended March 31, 2024 : ¥ — million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	3,751	1,388	37.0	261.75
March 31, 2023	3,184	1,288	40.5	238.56

Reference: Equity As of March 31, 2024 : ¥1,388 million As of March 31, 2021: ¥ 1,289 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	379	15	61	1,563
March 31, 2023	302	(301)	(24)	1,107

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending March 31, 2024	—	0.00	—	5.00	5.00	26	20.3	2.0
Fiscal year ending March 31, 2025 (Forecast)	—	0.00	—	8.00	8.00	—	20.7	—

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to Owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	5,102	2.9	355	54.5	350	29.2	204	56.6	38.56

Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31,2024	5,427,771 shares
As of March 31,2023	5,427,771 shares

- (ii) Number of treasury shares at the end of the period

As of March 31,2024	123,743 shares
As of March 31,2023	28,108 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31,2024	5,311,847 shares
Fiscal year ended March 31,2023	5,393,015 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024(from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	2,128	1.3	(140)	—	149	—	123	—
March 31, 2023	2,101	(40.2)	(164)	—	(6)	—	(30)	—

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	23.19	22.62
March 31, 2023	(5.66)	(5.54)

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	3,190	1,295	40.6	244.17
March 31, 2023	2,662	1,202	45.2	222.67

Reference: Equity As of March 31, 2024: ¥1,295 million

As of March 31, 2023: ¥1,202 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements such as the earnings forecasts included here are based on currently available information and on certain assumptions we believe to be reasonable, and we make no assurance that they will be met. Actual performance and other results may differ significantly due to a variety of factors.

4. Consolidated financial statements

(1) Consolidated balance sheet

(Unit: thousand yen)

	As of March 31,2023	As of March 31,2024
Assets		
Current assets		
Cash and deposits	1,107,371	1,563,768
Notes receivable – trade	665	–
Accounts receivable – trade	812,335	898,515
Supplies	13,658	16,200
Other	118,919	129,767
Allowance for doubtful accounts	(4,441)	(5,029)
Total current assets	2,048,508	2,603,223
Non-current assets		
Property, plant and equipment		
Buildings and structures	575,519	432,787
Accumulated depreciation and impairment loss	(355,935)	(243,568)
Buildings and structures ,net	219,584	189,218
Land	35,800	35,800
Leased assets	49,898	49,898
Accumulated depreciation and impairment loss	(39,765)	(44,896)
Leased assets, net	10,133	5,001
Other	81,175	59,148
Accumulated depreciation and impairment loss	(66,310)	(45,936)
Other, net	14,864	13,212
Total property, plant and equipment	280,382	243,232
Intangible assets		
Goodwill	362,064	336,284
Other	110,345	226,852
Total intangible assets	472,410	563,137
Investments and other assets		
Guarantee deposits	190,709	145,401
Deferred tax assets	159,229	182,803
Other	33,098	13,697
Total investments and other assets	383,037	341,902
Total non-current assets	1,135,830	1,148,272
Total assets	3,184,338	3,751,495

(Unit: thousand yen)

	As of March 31,2023	As of March 31,2024
Liabilities		
Current liabilities		
Accounts payable - trade	74,836	75,174
Short-term borrowings	400,000	650,000
Current portion of long-term borrowings	114,116	120,727
Advances received	8,499	51,824
Unearned revenue	16,575	10,118
Accounts payable - other	118,473	291,126
Income taxes payable	84,626	90,854
Deposits received	440,665	541,782
Provision for bonuses	54,852	100,049
Provision for bonuses for directors	—	3,051
Other	144,195	146,348
Total current liabilities	1,456,842	2,081,058
Non-current liabilities		
Long-term borrowings	307,780	168,189
Asset retirement obligations	64,159	67,878
Long-term unearned revenue	16,647	11,976
Other	50,777	34,039
Total non-current liabilities	439,364	282,083
Total liabilities	1,896,206	2,363,142
Net assets		
Shareholders' equity		
Capital	252,302	252,302
Capital surplus	237,302	239,822
Retained earnings	821,715	952,339
Treasury shares	(23,183)	(56,130)
Total shareholders' equity	1,288,136	1,388,334
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(5)	19
Total accumulated other comprehensive income	(5)	19
Total net assets	1,288,131	1,388,353
Total liabilities and net assets	3,184,338	3,751,495

(2) Consolidated statement of income and comprehensive income
(Consolidated statement of income)

(Unit: thousand yen)

	Fiscal year ended March 31,2023	Fiscal year ended March 31,2024
Net sales	4,464,419	4,959,249
Cost of sales	2,815,214	3,116,098
Gross profit	1,649,204	1,843,151
Selling, general and administrative expenses	1,311,867	1,612,916
Operating income	96,066	230,234
Non-operating income		
Gain on sale of businesses	21,838	44,907
Subsidy income	32,742	10,149
Other	20,346	9,905
Total non-operating income	74,928	64,962
Non-operating expenses		
Interest expenses	15,961	19,890
Office relocation expenses	6,089	—
Other	2,533	4,086
Total non-operating expenses	24,583	23,976
Ordinary profit	146,411	271,220
Extraordinary income		
Gain on sale of non-current assets	—	59
Total extraordinary income	—	59
Extraordinary losses		
Impairment loss	42,004	—
Loss on valuation of investment securities	—	9,999
Head office relocation expenses	—	18,076
Total extraordinary losses	42,004	28,076
Profit before income taxes	104,407	243,203
Income taxes – current	88,590	125,926
Income taxes – deferred	(18,021)	(13,347)
Total income taxes	70,569	112,579
Profit	33,837	130,624
Profit attributable to owners of parent	33,837	130,624

(Consolidated statement of comprehensive income)

(Unit: thousand yen)

	Fiscal year ended March 31,2023	Fiscal year ended March 31,2024
Profit	33,837	130,624
Other comprehensive income		
Valuation difference on available-for-sale securities	(5)	24
Total other comprehensive income	(5)	24
Comprehensive income	33,832	130,649
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	33,832	130,649

(3) Consolidated statement of changes in equity

Previous fiscal year (April 1, 2022 to March 31, 2023)

(Unit: thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	252,302	237,302	798,308	(42,615)	1,245,297
Changes during period					
Profit attributable to owners of parent			33,837		33,837
Disposal of treasury shares		(10,432)		19,431	8,999
Transfer of loss on disposal of treasury shares		10,432	(10,432)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	23,407	19,431	42,838
Balance at the end of period	252,302	237,302	821,715	(23,183)	1,288,136

(Unit: thousand yen)

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	—	—	1,245,297
Changes during period			
Profit attributable to owners of parent			33,837
Disposal of treasury shares			8,999
Transfer of loss on disposal of treasury shares			—
Net changes in items other than shareholders' equity	(5)	(5)	(5)
Total changes during period	(5)	(5)	42,833
Balance at the end of period	(5)	(5)	1,288,131

Current fiscal year (April 1, 2023 to March 31, 2024)

(Unit: thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	252,302	237,302	821,715	(23,183)	1,288,136
Changes during period					
Profit attributable to owners of parent			130,624		130,624
Disposal of treasury shares				(46,176)	(46,176)
Transfer of loss on disposal of treasury shares		2,519		13,229	15,749
Net changes in items other than shareholders' equity					
Total changes during period	—	2,519	130,624	(32,946)	100,197
Balance at the end of period	252,302	239,822	952,339	(56,130)	1,388,334

(Unit: thousand yen)

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	(5)	(5)	1,288,131
Changes during period			
Profit attributable to owners of parent			130,624
Disposal of treasury shares			(46,176)
Transfer of loss on disposal of treasury shares			15,749
Net changes in items other than shareholders' equity	24	24	24
Total changes during period	24	24	100,222
Balance at the end of period	19	19	1,388,353

(4) Consolidated statement of cash flows

(Unit: thousand yen)

	Previous fiscal year (April 1, 2022 to March 31, 2023)	Current fiscal year (April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	104,407	243,203
Depreciation	131,798	123,980
Amortization of goodwill	29,567	45,138
Impairment loss	42,004	—
Increase (decrease) in allowance for doubtful accounts	(3,520)	587
Increase (decrease) in provision for bonuses	2,663	45,196
Increase (decrease) in provision for bonuses for directors	—	3,051
Loss (gain) on sale of businesses	(21,838)	(44,907)
Subsidy income	(32,742)	(10,149)
Interest expenses	15,961	19,890
Decrease (increase) in trade receivables	(87,359)	(85,515)
Decrease (increase) in inventories	3,209	(10,289)
Increase (decrease) in trade payables	3,055	338
Increase (decrease) in deposits received	69,235	91,088
Increase (decrease) in accounts payable - other	41,833	11,521
Loss (gain) on valuation of investment securities	—	9,999
Other	61,675	82,206
Sub-total	359,950	525,340
Interest paid	(15,685)	(19,732)
Proceeds from subsidy income	31,962	10,149
Income taxes paid	(73,518)	(136,273)
Net cash provided by (used in) operating activities	302,708	379,484
Cash flows from investing activities		
Proceeds from sale of businesses	35,082	55,419
Payments for acquisition of businesses	(258,802)	(29,595)
Purchase of property, plant and equipment	(32,387)	(56,247)
Proceeds from sales of property, plant and equipment	423	70
Purchase of intangible assets	(14,231)	—
Payments for guarantee deposits	(10,685)	(40,770)
Proceeds from refund of guarantee deposits	12,555	86,078
Payments for asset retirement obligations	(2,112)	(9,535)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(31,087)	—
Other	(272)	10,000
Net cash provided by (used in) investing activities	(301,517)	15,418
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	100,000	250,000
Repayments of long-term borrowings	(115,194)	(132,980)
Purchase of treasury shares	—	(46,176)
Other	(9,176)	(9,349)
Net cash provided by (used in) financing activities	(24,370)	61,494
Net increase (decrease) in cash and cash equivalents	(23,179)	456,397
Cash and cash equivalents at beginning of period	1,130,550	1,107,371
Cash and cash equivalents at end of period	1,107,371	1,563,768